

NEWS RELEASE

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STATE OF MONTANA

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Payments, Compact Discs Part of Antitrust Settlement

HELENA – More than 12,000 Montana consumers are receiving refunds and 95 Montana libraries will receive compact discs as part of an antitrust settlement involving music distributors and music retailers.

The settlement stems from a lawsuit in which the defendants – the five largest music distributors and three music retailers– allegedly conspired to fix the prices of certain “prerecorded music products,” including compact discs, cassettes or vinyl albums.

There are two parts to the settlement:

- Eligible consumers receive refund checks for \$13.86. To receive one of the refund checks, consumers had to have purchased a CD, cassette or LP between Jan. 1, 1995 and Dec. 22, 2000 and had to have filed a claim form prior to a March 3, 2003 deadline.
- The defendants are also required to distribute CDs to organizations. In Montana, public libraries and libraries at elementary, middle and high schools and some colleges will receive 17,721 discs in the weeks ahead. They’ll be a variety of styles of music, including rock, country, blues, jazz, roots, classical and Latin and soundtracks.

“We’re pleased to work with the attorney general’s office to ensure that the CDs awarded to Montana will be accessible to the greatest number of our citizens,” said State Librarian Karen Strege. “There is no better place to offer these new resources than our libraries, which are at the heart of Montana’s communities, schools and colleges.”

The suit alleged that the defendants illegally used “Minimum Advertised Price” (MAP) policies to fix prices of prerecorded music. Under a MAP agreement, a record company or distributor would offer to advertise and market a particular recording for a retailer. As part of the deal, however, both sides would agree to a minimum advertised price. To take advantage of the record company’s offer, the retailer would be barred from advertising a lower price.

The attorneys general of 43 states and territories brought the complaint. It was approved June 13, 2003 in the District Court of Maine. A number of appeals were filed, however, and the distribution was delayed until they were resolved.

(For more information about the settlement, click on <http://www.musiccdsettlement.com>)

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